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ABSTRACT

This consultation document proposes a method for allocating the additional resources for rewarding, retaining, and developing staff in higher education in England, announced as part of the Government's Year 2000 spending review. The Government set aside 50 million pounds for the financial year 2001-2002, rising to 110 million pounds in 2002-2003, and 170 million pounds in 2003-2004. It is proposed that the extra funds be distributed to institutions in proportion to their combined basic recurrent grants from the Higher Education Funding Council for England for teaching and research. The funding would be released once institutions had provided human resources strategies addressing certain priority areas, including: (1) recruitment and retention difficulties; (2) specific staff development and training objectives; (3) development of equal opportunities targets; (4) reviews of staffing needs; and (5) performance reviews of all staff. Institutions would be free to determine their own objectives, and specific targets would be monitored through their annual operating statements. Administrators in human resources management are asked to respond to specified consultation issues related the proposal by February 12, 2001. An attachment (annex) contains a chart of indicative allotments for rewarding and developing higher education staff. (SLD)

Respond by 12 February 2001

Rewarding and developing staff in higher education

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Rewarding and developing staff in higher education

To	Heads of HEFCE-funded higher education institutions HE trade unions, funding bodies and representative bodies for HE
Of interest to those responsible for	Human resources management
Reference	00/56
Publication date	December 2000
Enquiries to	Claire Warnes tel 0117 931 7311 e-mail c.warnes@hefce.ac.uk

Executive summary

Purpose

1. This consultation document proposes a method for allocating the additional resources for rewarding, retaining and developing staff in higher education announced as part of the Government's Year 2000 spending review.

Key points

2. We propose to distribute the extra funds to institutions in proportion to their combined basic recurrent HEFCE grants for teaching and research. Funding would be released once institutions had provided human resources strategies addressing certain priority areas.

3. Institutions would be free to determine their own objectives, and specific targets would be monitored through their annual operating statements.

Action required

4. Please respond by Monday 12 February 2001.

Introduction

5. As part of the Year 2000 spending review, the Government announced additional resources to help higher education institutions (HEIs) recruit, retain and develop staff, and to help modernise management processes in the sector. It has set aside £50 million in 2001-02, rising to £110 million in 2002-03 and £170 million in 2003-04. These figures refer to financial years. Converting to academic years we will allocate £80 million in 2001-02 and £120 million in 2002-03. We would expect to allocate at least £170 million in 2003-04. We may consolidate a small part of the increase in 2002-03 into core funding.

6. These additional resources recognise that the world-class reputation of the UK higher education sector depends upon its ability to recruit and retain good quality staff. Over the last decade the sector has an impressive record – in delivering world-leading research, maintaining low drop out rates, and sustaining a reputation for quality that continues to attract a significant share of the market for overseas students. All these achievements depend on the commitment and expertise of staff.

7. Human resource management in higher education has many positive aspects, including devolved responsibilities, wide participation in decision making, a questioning ethos, and a good record of delivery. However, in a more competitive world there will inevitably be more demands. Effective human resource management will be key to future success. The additional funding will enable HEIs to support existing investments and create new opportunities.

Allocating the additional resources

8. We propose to distribute the additional resources as a conditional grant. Each HEI would be allocated a proportion of the total funding according to the amount of its core funding from the HEFCE: the assumed resource for teaching, plus the basic research grant. Indicative allocations for the three years from 2001-02 are shown at Annex A. The amount of money to be distributed is significant, so we would recalculate the precise allocations to institutions each year.

9. We would release funding to institutions on receipt of a human resource strategy that identifies objectives, describes how the money will be spent, and sets specific targets. These would include improvements both to outcomes and to human resource management processes. We recognise that the needs of universities and colleges differ greatly. It is for institutions themselves to determine priorities and how these would be tackled. Strategies should specify how institutions will:

- a. Address recruitment and retention difficulties in a targeted and cost-effective manner.
- b. Meet specific staff development and training objectives that not only equip staff to meet their current needs but also prepare them for future changes, such as using new technologies for learning and teaching. This would include management development.
- c. Develop equal opportunities targets, with programmes to implement good practice throughout an institution. This should include ensuring equal pay for work of equal value, using institution-wide systems of job evaluation. This could involve institutions working collectively – regionally or nationally.

Strategies should also cover how institutions will (or are already) addressing the need to achieve:

- d. Regular reviews of staffing needs, reflecting changes in market demands and technology. The reviews would consider overall numbers and the balance of different categories of staff.
- e. Annual performance reviews of all staff, based on open and objective criteria, with rewards connected to the performance of individuals including, where appropriate, their contribution to teams.
- f. Action to tackle poor performance.

10. All strategies should cover the three years from 2001-02 to 2003-04. They would be reviewed by an advisory group of sector representatives and external experts. The advisory group would be expected to provide an overall review of the strategies, and to draw attention to good practice.

Funds would be released as long as the strategies:

- support the institution's mission and strategic plan
- cover the first three priority areas listed in paragraph 9 above
- support additional activity or the extension of existing activity
- contain targets that can be used to assess the effectiveness of the expenditure.

11. We would fund emerging strategies in 2001-02 as long as there were clear plans showing how the institution intended to develop a full strategy in the following year. We propose to ask institutions to submit strategies covering all the priority areas by June 2002.

12. Under our proposed method of distributing funding, institutions would receive money for franchised provision (where students are registered at the institution but taught in another HEI or further education college). Where this provision is significant, we would expect institutions to show how the funding would support human resource development that benefits these students.

13. Human resource strategies should refer to measures within other institutional strategies and policy documents, such as those for research and learning and teaching.

Monitoring and evaluation

14. The additional resources have been provided for a specific purpose, on a 'something for something' basis. Effective monitoring and evaluation will provide confidence that strategies are being achieved and that continued investment beyond 2003-04 is worthwhile. We propose an approach that we believe meets these requirements while minimising the burden on institutions and ourselves.

15. In detail we propose:

- institutions should submit strategies by June 2001

- acting on the advice of an advisory panel, we will confirm funding by July 2001
- again working with an advisory panel and following sector consultation, we will issue good practice guidance by December 2001, based on an analysis of institutions' strategies
- institutions report on performance against strategies through their 2001-02 annual operating statements. Institutions produce strategies covering all the priority areas listed in paragraph 9 by June 2002
- institutions report on the effectiveness of their strategies through their 2002-03 operating statement, including the achievement of specific targets
- during 2003-04, we will evaluate the effectiveness of the investment throughout the sector, using institutions' annual operating statements, supplemented where necessary by further research.

16. We plan to discuss with universities and colleges whether performance indicators or specific reviews could be used to demonstrate sector-wide progress and needs. This may include recruitment and retention surveys of the sort we currently conduct in collaboration with Universities UK (formerly the CVCP), SCOP and the Universities and Colleges Employers Association (UCEA). In time we might expect sector-wide demonstration of performance to lead to the incorporation of this investment into core funding.

Consultation issues

17. Do you agree that human resource strategies should cover the areas set out in paragraph 9? Should anything be added?

18. Is the proposed method of distributing and monitoring the funding likely to lead to demonstrable improvements in human resource management while minimising administration costs?

19. Do you agree that the HEFCE should explore the development of a limited number of sector-wide performance indicators or measures for the effective management of human resources?

Timetable

20. We propose the following timetable:

12 February 2001	Responses to consultation received
19 March 2001	Report on consultation and invitation to apply for funds issued
1 June 2001	Applications for funds received
2 July 2001	Funding confirmed

Responses

21. Please send your responses, to arrive by Monday 12 February 2001, to:

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Annex A

Indicative allocations for rewarding and developing HE staff (£)

Institution	Assumed teaching resource 2000-01*	HEFCE research funds 2000-01	Staff pay supplement 2001-02	Staff pay supplement 2002-03	Staff pay supplement 2003-04
Anglia Polytechnic University	43,719,541	313,239	735,000	1,103,000	1,563,000
Aston University	21,687,060	3,643,085	423,000	635,000	899,000
University of Bath	27,060,876	11,181,007	639,000	958,000	1,357,000
Bath Spa University College	10,339,381	389,864	179,000	269,000	381,000
Birkbeck College	23,151,504	5,136,415	472,000	709,000	1,004,000
University of Birmingham	69,806,420	27,614,901	1,627,000	2,441,000	3,457,000
Bishop Grosseteste College	511,365	0	9,000	13,000	18,000
Bolton Institute of Higher Education	20,940,776	144,378	352,000	528,000	748,000
Bournemouth University	28,810,577	181,765	484,000	726,000	1,029,000
Arts Institute at Bournemouth	3,001,526	0	50,000	75,000	107,000
University of Bradford	27,954,374	6,323,076	572,000	859,000	1,216,000
Bretton Hall	6,548,915	225,941	113,000	170,000	240,000
University of Brighton	35,881,794	2,164,434	635,000	953,000	1,350,000
University of Bristol	53,489,437	24,552,331	1,303,000	1,955,000	2,770,000
Brunel University	38,558,902	5,623,503	738,000	1,107,000	1,568,000
Buckinghamshire Chilterns University College	20,957,816	697,952	362,000	543,000	769,000
University of Cambridge	63,587,282	62,955,867	2,113,000	3,170,000	4,491,000
Institute of Cancer Research	496,672	8,838,222	156,000	234,000	331,000
Canterbury Christ Church University College	14,088,049	373,861	242,000	362,000	513,000
University of Central England	46,446,672	797,606	789,000	1,184,000	1,677,000
University of Central Lancashire	54,763,191	793,873	928,000	1,392,000	1,972,000
Central School of Speech and Drama	3,679,973	35,189	62,000	93,000	132,000
Cheltenham and Gloucester College of HE	22,752,017	711,136	392,000	588,000	833,000
Chester College of Higher Education	9,498,058	5,981	159,000	238,000	337,000
University College Chichester	8,390,544	176,900	143,000	215,000	304,000
City University	21,563,365	4,909,365	442,000	663,000	940,000
Coventry University	47,597,065	1,326,190	817,000	1,226,000	1,736,000
Cranfield University	13,023,143	7,571,648	344,000	516,000	731,000
Cumbria College of Art & Design	2,821,871	0	47,000	71,000	100,000
Dartington College of Arts	2,409,950	96,417	42,000	63,000	89,000
De Montfort University	68,507,658	2,894,654	1,192,000	1,789,000	2,534,000
University of Derby	31,895,935	456,981	540,000	810,000	1,148,000
University of Durham	40,024,183	11,890,629	867,000	1,301,000	1,842,000
University of East Anglia	24,467,438	9,633,223	570,000	854,000	1,210,000
University of East London	40,516,542	1,170,492	696,000	1,044,000	1,479,000
Edge Hill College of Higher Education	11,279,112	134,552	191,000	286,000	405,000
Institute of Education	5,859,344	4,834,755	179,000	268,000	380,000
University of Essex	19,402,774	6,459,784	432,000	648,000	918,000
University of Exeter	31,576,542	7,748,349	657,000	985,000	1,396,000
Falmouth College of Arts	5,580,894	318,050	99,000	148,000	209,000
Goldsmiths College	17,682,984	5,264,964	383,000	575,000	814,000
University of Greenwich	47,319,469	3,380,948	847,000	1,270,000	1,799,000
Harper Adams University College	9,436,869	208,853	161,000	242,000	342,000
University of Hertfordshire	48,148,289	2,122,072	840,000	1,259,000	1,784,000
Homerton College, Cambridge	1,960,423	510,725	41,000	62,000	88,000
University of Huddersfield	41,682,254	916,401	711,000	1,067,000	1,512,000
University of Hull	32,963,242	6,233,380	655,000	982,000	1,391,000
Imperial College	56,014,965	55,871,323	1,869,000	2,803,000	3,971,000
Keele University	17,422,645	5,402,603	381,000	572,000	810,000
University of Kent at Canterbury	27,562,633	5,766,918	557,000	835,000	1,183,000
Kent Institute of Art & Design	7,126,063	76,890	120,000	180,000	256,000
King Alfred's College, Winchester	7,000,507	62,956	118,000	177,000	251,000
King's College London	64,070,217	36,560,469	1,681,000	2,521,000	3,571,000
Kingston University	45,504,814	968,509	776,000	1,164,000	1,649,000
Lancaster University	29,778,822	11,229,027	685,000	1,027,000	1,455,000
University of Leeds	76,095,637	27,497,164	1,730,000	2,595,000	3,676,000
Leeds Metropolitan University	54,220,084	974,167	922,000	1,383,000	1,959,000
University of Leicester	38,694,375	12,709,450	858,000	1,288,000	1,824,000

Institution	Assumed teaching resource 2000-01*	HEFCE research funds 2000-01	Staff pay supplement 2001-02	Staff pay supplement 2002-03	Staff pay supplement 2003-04
University of Lincolnshire & Humberside	39,556,603	405,460	667,000	1,001,000	1,418,000
University of Liverpool	60,572,987	19,635,271	1,340,000	2,009,000	2,847,000
Liverpool Hope	12,985,545	34,540	217,000	326,000	462,000
Liverpool John Moores University	57,151,638	2,215,000	991,000	1,487,000	2,107,000
University of London (Institutes and Activities)	2,942,109	1,670,172	77,000	116,000	164,000
London Business School	2,010,363	2,121,649	69,000	104,000	147,000
London Sch of Economics & Political Science	12,488,930	9,998,200	376,000	563,000	798,000
London Guildhall University	36,988,238	262,926	622,000	933,000	1,322,000
London Sch of Hygiene & Tropical Medicine	3,721,088	5,648,179	156,000	235,000	333,000
The London Institute	34,997,815	1,900,110	616,000	924,000	1,309,000
Loughborough University	39,125,925	10,120,255	822,000	1,234,000	1,748,000
University of Luton	30,438,873	91,680	510,000	765,000	1,084,000
University of Manchester	73,936,224	31,884,823	1,767,000	2,651,000	3,756,000
UMIST	23,791,822	13,564,642	624,000	936,000	1,326,000
Manchester Metropolitan University	80,053,957	3,531,243	1,396,000	2,094,000	2,966,000
Middlesex University	55,625,629	1,746,501	958,000	1,437,000	2,036,000
University of Newcastle upon Tyne	53,632,167	20,871,495	1,244,000	1,866,000	2,644,000
Newman College	1,629,914	12,115	27,000	41,000	58,000
University College Northampton	25,564,929	84,067	428,000	643,000	910,000
University of North London	40,584,268	943,591	694,000	1,040,000	1,474,000
Northern School of Contemporary Dance	946,480	0	16,000	24,000	34,000
University of Northumbria at Newcastle	52,565,873	1,515,377	903,000	1,355,000	1,919,000
Norwich School of Art & Design	2,912,232	120,639	51,000	76,000	108,000
University of Nottingham	54,991,062	23,035,678	1,303,000	1,955,000	2,769,000
Nottingham Trent University	65,929,979	2,386,292	1,141,000	1,711,000	2,425,000
Open University	157,045,530	6,888,267	2,738,000	4,107,000	5,818,000
School of Oriental and African Studies	8,455,482	3,364,414	207,000	311,000	441,000
University of Oxford	64,630,091	63,818,323	2,145,000	3,218,000	4,559,000
Oxford Brookes University	34,327,464	2,026,315	607,000	911,000	1,290,000
School of Pharmacy	3,439,389	1,856,733	88,000	133,000	188,000
University of Plymouth	60,497,742	2,822,807	1,058,000	1,586,000	2,247,000
University of Portsmouth	48,830,538	3,745,835	878,000	1,317,000	1,866,000
Queen Mary and Westfield College	40,864,301	13,621,844	910,000	1,365,000	1,934,000
Ravensbourne College	3,644,413	0	61,000	91,000	129,000
RCN Institute	1,570,603	338,522	32,000	48,000	68,000
University of Reading	32,418,284	14,478,480	783,000	1,175,000	1,664,000
College of Ripon & York St John	8,512,947	20,252	143,000	214,000	303,000
Rose Bruford College	3,140,136	0	52,000	79,000	111,000
Royal Academy of Music	4,008,196	495,073	75,000	113,000	160,000
Royal College of Art	10,506,812	1,554,385	201,000	302,000	428,000
Royal College of Music	3,672,930	437,361	69,000	103,000	146,000
Royal Holloway, University of London	19,219,852	6,660,392	432,000	648,000	918,000
Royal Northern College of Music	4,376,448	287,619	78,000	117,000	166,000
Royal Veterinary College	8,134,597	2,443,624	177,000	265,000	375,000
St George's Hospital Medical School	9,486,498	3,826,459	222,000	334,000	472,000
College of St Mark & St John	4,190,632	40,978	71,000	106,000	150,000
St Martin's College	9,820,663	8,816	164,000	246,000	349,000
St Mary's College	6,573,590	66,327	111,000	166,000	236,000
University of Salford	48,121,465	5,098,804	889,000	1,333,000	1,889,000
University of Sheffield	61,125,738	25,332,984	1,444,000	2,166,000	3,068,000
Sheffield Hallam University	66,505,658	3,117,798	1,163,000	1,744,000	2,471,000
University of Southampton	51,669,651	24,216,366	1,267,000	1,901,000	2,693,000
Southampton Institute	36,123,150	301,272	608,000	912,000	1,293,000
South Bank University	54,807,703	1,647,578	943,000	1,414,000	2,004,000
Staffordshire University	48,425,098	911,992	824,000	1,236,000	1,751,000
University of Sunderland	40,180,681	1,272,092	692,000	1,038,000	1,471,000
The Surrey Inst of Art & Design Univ College	9,636,341	26,391	161,000	242,000	343,000
University of Surrey	23,676,482	11,226,043	583,000	874,000	1,239,000
University of Surrey Roehampton	17,088,849	1,053,138	303,000	454,000	644,000
University of Sussex	27,904,365	12,242,230	670,000	1,006,000	1,425,000

Institution	Assumed teaching resource 2000-01*	HEFCE research funds 2000-01	Staff pay supplement 2001-02	Staff pay supplement 2002-03	Staff pay supplement 2003-04
University of Teesside	35,230,167	272,307	593,000	889,000	1,260,000
Thames Valley University	28,253,716	147,568	474,000	711,000	1,008,000
Trinity & All Saints	5,535,128	25,894	93,000	139,000	197,000
Trinity College of Music	3,363,724	0	56,000	84,000	119,000
University College London	65,473,348	63,412,448	2,153,000	3,229,000	4,574,000
University of Warwick	35,334,026	17,607,392	884,000	1,326,000	1,879,000
University of West of England, Bristol	57,536,408	2,165,529	997,000	1,496,000	2,119,000
University of Westminster	57,261,730	2,116,724	992,000	1,488,000	2,107,000
Wimbledon School of Art	2,424,269	1,112,581	59,000	89,000	126,000
University of Wolverhampton	52,682,691	354,269	886,000	1,329,000	1,882,000
University College Worcester	8,717,904	187,350	149,000	223,000	316,000
Writtle College	5,109,692	5,860	85,000	128,000	182,000
University of York	23,091,386	11,847,445	584,000	875,000	1,240,000
TOTAL	3,923,123,990	866,987,220	80,000,000	120,000,000	170,000,000

*Assumed teaching resource = HEFCE core grant for teaching plus an assumed income from tuition fees.

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